DOCUMENT RESUME

ED 465 067 CE 083 313

AUTHOR	Plastrik, Peter
TITLE	Systems Reform in the Jobs Initiative: Lessons from Using the Framework for Labor Market Systems Reform.
INSTITUTION	Jobs for the Future, Inc., Cambridge, MA.
SPONS AGENCY	Annie E. Casey Foundation, Baltimore, MD.
PUB DATE	2001-07-00
NOTE	21p.; With Judith Combes Taylor.
AVAILABLE FROM	For full text: http://www.aecf.org/jobsinitiative/using_the_sc%20_frame.pdf .
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Change Agents; *Change Strategies; *Employment Programs; Evaluation Methods; *Institutional Cooperation; Job Placement; *Job Training; *Labor Market; Outcomes of Education; Planning; Program Administration; Program Development; Program Effectiveness; Program Evaluation; Social Services; Systems Analysis; *Systems Development; Young Adults
IDENTIFIERS	*Annie E Casey Foundation; Colorado (Denver); Control of Outcomes; Louisiana (New Orleans); Missouri (Saint Louis); Pennsylvania (Philadelphia); Washington (Seattle); Wisconsin (Milwaukee)

ABSTRACT

Since the mid-1990s, job-training and employment programs for low-income people have begun to emphasize not only program development and implementation, but also reform of the "system" of labor market, employers, training providers, and helping agencies. In 1995, the Annie E. Casey Foundation, which launched the Jobs Initiative in 6 metropolitan areas Denver, Milwaukee, New Orleans, Philadelphia, St. Louis, and Seattle developed and promoted the use of a 26-page "framework" for labor market systems reform for the 6 job sites. The framework described these four essential characteristics of labor market systems (labor markets are large, complex and dynamic; change requires transforming the "drivers" or underlying forces that influence people and organizations; use "leverage points" to create, change or strengthen "drivers"; and innovators must identify and mobilize their "assets for change") and suggested strategic initiatives for reform. The framework was woven into an "outcome-based planning model" adopted for the Jobs Initiative. Benefits of using the framework included that it helped sites to be more strategic about how to intervene in the system, to connect jobs projects with broader-scale interventions at the system level, to recognize who in the system they had to influence to generate systemic change, and to recognize potential connections between the labor market and the social services system. Difficulties in using the framework included that it was not always relevant to local conditions and that it was hard to tie systems reform to outcome-based job programs and to determine exactly what outcomes were desirable and how to measure them. (KC)

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ED 465 067

Systems Reform in the Jobs Initiative: Lessons from Using the Framework for Labor Market Systems Reform

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July 2001

Prepared for the Annie E. Casey Foundation. This research brief is part of a series of updates related to issues around retention and advancement for low-income residents and lessons learned from the Annie E. Casey Jobs Initiative

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Part I.
Blaming "The System"

The difficulties that low-income people experience in obtaining and keeping living wage jobs—even when the U.S. economy is humming along—are routinely blamed on "systemic" barriers.

If people lack job skills, transportation, or child-care services, it's because of faults in the system. If they are trained by providers who don't know what skills employers seek in workers, if they are only offered dead-end jobs, if they end up in workplaces with tough jobs and few incentives—it's the system's responsibility again.

If employers can't find job-training providers to efficiently prepare people for their workplaces or if they don't have supervisors who can deal effectively with former welfare recipients or offenders in entry-level jobs—the reason is the system's failure.

If government agencies provide incentives for quickly placing low-income, low-skill people in jobs, but do nothing to help people retain their jobs—that's yet another system breakdown.

Calling a barrier "systemic" is a way of saying that it exists because of large-scale forces, such as the inability of schools to do a good job of educating many disadvantaged people, or the lack of good information about what employers are looking for in job candidates, or the focus of elected officials on reducing welfare caseloads by placing people in jobs, without worrying about how long they keep the jobs. These problems are obviously caused by more than a single teacher or employer or elected official; they are systemic. And it follows that they cannot be overcome by the efforts of a single provider, employer, or policymaker; they must be dealt with systemically.

Yet what exactly is the "system" that contains all these barriers to employment for low-income people? And how does one go about changing this system?

Asking these questions is a fairly recent phenomenon among policymakers and practitioners concerned with getting these people into jobs, says Marlene Seltzer, president of Jobs for the Future. Into the early 1990s, the organization focused mainly on designing new programs to help low-income workers. "The job-training *program* was the unit of action," explains Seltzer. "No one was thinking about system reform."

Part II.
Aiming at Systems Change

In 1995, the Annie E. Casey Foundation was in the vanguard of a shift to a systems-change focus when it launched the Jobs Initiative in six metropolitan areas—Denver, Milwaukee, New Orleans, Philadelphia, St. Louis, and Seattle. "We hoped in the long run to influence how low-income, young-adult job-seekers could create better connections to regional labor markets on a sustainable basis," explains Bob Giloth, program manager for the Jobs Initiative. "That meant changing the system's behavior."

Of course, some young adults succeed in the labor market without any targeted interventions on their behalf. And some workforce development programs have been able to help relatively small numbers of young adults succeed in the labor market. But no intervention has yet changed a labor market system so that it produces better employment outcomes *at significant and sustainable scale* for this segment of the population.

The foundation believed that several critical ingredients had to come together at the local level to mount systemic reform: first, a local intermediary well-positioned within the regional civic infrastructure, and second, that intermediary would have to have the funds and capacity to conduct research, assemble powerful coalitions, and test experimental programs and policies that would guide eventual changes in the system. In particular, the Casey Foundation thought that intermediaries, as they developed projects to help place low-income job seekers, would "rub" against the existing system, identify critical issues to be addressed, and, based on what they were learning, develop long-term strategies to reform systems. One such project that the foundation encouraged intermediaries to undertake was the creation of a Jobs Policy Network, an effort to bring together actors in the system to identify and advocate for changes.

Casey's approach sought to avoid several pitfalls of other efforts to repair the system:

- It emphasized the whole system, not just the government programs—JTPA or WIA, for instance—that had been the traditional target of reform, and it particularly emphasized the huge role that employers play in developing the workforce. "We understood that regional labor markets were primarily private," says Giloth, "but also contained a variety of public and non-profit institutions and resources."

- It required *strategic* plans from the sites that identified key approaches for change with scale, rather than laundry lists of activities to attack many parts of the system, lists that tend to paralyze rather than galvanize action.

- It sought the development of *collaborations* among government, business, and community interests, rather than go-it-alone mandates from government agencies or employer groups, which tend to ignore the legitimacy and assets of other stakeholders in the system, especially community-based organizations and residents.

- It pressed sites to identify *specific entry points* or opportunities for making strategic changes in the labor market system, as an analytic way to overcome the inherent amorphousness of tackling a large system with dynamics and entry points.

The foundation started by supporting for several years the selected intermediaries' "jobs projects"—efforts to provide various services to thousands of low-income job candidates and employers seeking workers. These covered gaps in traditional employment services in low-income neighborhoods—recruiting, assessing, training, and placing workers—and introduced new services, such as child care and transportation for workers and training for supervisors of entry-level workers.

The foundation expected that the six intermediaries would learn how to help candidates obtain and retain living wage jobs, and from that, they would develop the insights and relationships for launching systems change. As a result, the foundation did not attempt to define what was meant by "the system" or how the intermediaries might go about changing it. That was up to each site to determine.

Two sites—Milwaukee and Seattle—began the Jobs Initiative with distinct perspectives about the system and how to change it. Seattle, where the intermediary was part of city government, focused heavily on reforming government programs and policies—and the opportunity for large-scale change created by the federal Workforce Investment Act, which was restructuring the substantial flow of federal training dollars to state and local governments. In Milwaukee, where the intermediary was a collaboration of organized labor, employers, and some community groups, leaders already "had a vision about what the system issues were," explains Laura Dresser, site director of the Milwaukee Jobs Initiative. Milwaukee focused on organizing workforce development changes in manufacturing sectors that were unionized.

The other intermediaries—a private operating foundation, a regional transportation agency, a development finance nonprofit, and a new coalition of public housing, church, and civic organizations—began the initiative with far less crystallized views about system change.

In most cases, the intermediaries engaged coalitions of stakeholders—from employers and unions to government agencies and non-profit providers—to develop plans. Milwaukee and New Orleans were organized as assemblies of stakeholders.

By 1999, the intermediaries had experimented with projects for about two years and were to begin developing long-term plans for systemic change. To help them, the Casey Foundation commissioned a "framework" report, produced by two nonprofit consulting firms, Jobs for the Future and Integral Assets, to describe the system and ways to change it. Intended as a capacity-building tool for the intermediaries, it was not a how-to primer but rather a way of thinking strategically about labor market change.

Two years later, the foundation asked the framework developers to assess the benefits and difficulties that the six intermediaries found in using it. After reviewing the core concepts of the framework, this report describes some of the experiences of the Jobs Initiative sites in thinking systemically about changing regional labor markets.

Part III.
Framing the System

The 26-page *Framework for Labor Market Systems Reform for Jobs Initiative Sites* (available by request) focuses on understanding the nature of the metropolitan or regional labor markets—the systems—that Jobs Initiative sites were targeting for change.

A labor market system produces employment outcomes: it fills vacant jobs with people seeking jobs. The system operates as a market, which means it is based on the voluntary exchange of value; essentially, an employer exchanges wages and benefits for the labor of workers. Employers, workers, and communities all get economic value out of a labor market's activities. Labor markets are based on competition: workers compete for the best jobs; employers compete for the best workers. And these markets are regulated by public policies, such as minimum wage and the right to bargain collectively.

Stripped down to its essence, the framework describes four essential characteristics of labor market systems:

1. Labor markets are large, complex, dynamic systems; they are constantly "in motion."

2. Making sustainable, large-scale change in the results that labor markets produce for low-income people depends upon transforming the fundamental "drivers" or underlying forces that influence the behavior of most individuals and organizations in the system.

3. To create, modify, or strengthen the drivers of labor markets, innovators must find "leverage points" in the system—opportunities to use their relatively modest resources to set changes into motion.

4. To make change happen at any leverage point, innovators must identify and mobilize their "assets for change."

1. Labor markets are large, complex, dynamic systems; they are constantly "in motion."

A regional labor market involves hundreds of thousands, even millions, of individuals, tens of thousands of employers, and a great many supply-side and intermediating organizations. These actors engage in an enormous number of several types of activities that produce employment for job seekers: recruitment, assessment, education/training, placement, retention support, and job advancement support.

In general, the actors can be categorized as being supply-side, demand-side, or intermediating elements. Supply-side elements, such as education institutions and training entities, provide job seekers to the labor market. Demand-side elements, such as business firms or industrial sectors, provide employment. And intermediaries connect supply-side and demand-side elements to each other.

Labor markets are constantly changing. The demand side goes up and down with the business cycle, and it is sector and occupation specific. The skills needed to perform certain jobs change, in part due to changes in technology. The supply side changes with the business cycle as well. And it may be affected by demographics, such as when large numbers of college students graduate and enter the labor market.

2. ***Making sustainable, large-scale change in the results that labor markets produce for low-income people depends upon transforming the fundamental "drivers" or underlying forces that influence the behavior of most individuals and organizations in the system.***

These drivers are like the DNA of organisms: they establish the guiding blueprint for how parts of the system will behave and grow. The drivers are relationships, resources, power and authority, information signals, and policies.

Relationships: A labor market is a tangle of relationships; various actors may, for instance, collaborate, contract, or compete with one another. Employers work together to design an apprenticeship program they can all use. Government agencies contract with nonprofit organizations to provide placement services to welfare recipients. Workers pay tuition to community colleges to upgrade their skills. Small firms compete with one another for employees; public agencies compete with one another for tax dollars.

Resources: Substantial financial resources—billions of dollars—flow through labor markets to pay for training, education, recruiting, assessment and screening, and other activities. Employers control a large portion of these funds. However, publicly controlled funds are the most significant source of labor-market resources for low-income people. The availability of resources can significantly influence the actions of individuals and organizations in the system. Incentives—rewards and sanctions for performance—are a particularly powerful form of resource flow. That's why many employers offer bonuses to employees and suppliers in exchange for high performance. And it's why governments offer tax breaks or health insurance subsidies to employers who hire welfare recipients.

Power and Authority: Within a labor market, some individuals and organizations have the power to make decisions that will affect others. Employers, of course, have the power to hire and fire and promote workers. They may also demand a certain level of quality in the services and products they obtain from suppliers, which may, in turn, lead those suppliers to upgrade the skills of *their* workers. Governments have the authority to issue regulations that employers must follow, such as workplace safety rules or hiring practices. Community-based organizations and media organizations may have access to political authority.

Information Signals: A tremendous amount of information flows through a labor market system. Newspapers carry help wanted ads; the Internet carries resumes to employers; informal networks of workers or employers spread the word about job vacancies. Various tests produce assessments of job seekers' skills. Government data projects future job growth in certain occupations. The quality of all this information is important, as is access to it.

Policies: Formal and informal rules, created by government, employers, or others, also influence the behavior of actors in the labor market. For instance, government

has laws that prohibit job discrimination or require welfare recipients to find work. Employers and unions have policies in the form of collective bargaining agreements. A group of employers may have an agreement about sharing the cost of a training center. A family may have an informal understanding about how much of a wage-earner's paycheck will be saved to pay for more education.

How System Drivers Affect Low-Income People

- ***Low-income people have limited or no relationships to good jobs in the labor market.*** Because low-income people have minimal experience in the labor market, they lack informal connections to employers with good-paying jobs. Because they lack funds with which to purchase services, they lack relationships with effective training and education providers. Because they are marginalized politically, they likely lack relationships with public and private-sector policymakers; without those relationships, they have little influence over the policies and resources of the labor market system.

- ***Low-income people have limited access to or control of labor-market resources.*** Government funds to provide training and placement services to low-income people are typically put into the hands of public organizations—for purposes determined by policymakers, not by the intended beneficiaries. Employers typically provide the bulk of their own workforce development resources to higher-skilled employees, while the low-skilled are more likely to fill entry-level positions.

- ***Low-income people have limited power in the labor market.*** Typically, they must accept the quality of service that public organizations provide them; they do not have the leverage that paying customers wield when choosing another provider. In addition, they have limited power in their transactions with employers, because few of the positions they seek are either unionized or considered absolutely essential by management. Thus, in the workplace itself, low-income people also have limited power and often experience difficulty retaining jobs they obtain.

- ***Low-income people have less awareness of and access to the information signals of the labor market.*** They also may have far less experience than other job seekers in knowing how to interpret information. For example, many low-income job seekers will think about a job in terms of its immediate income-generating potential, but not its long-term career prospects.

- ***Low-income people often find that public policies produce barriers to their success in the labor market.*** Public policies may penalize them. For instance, the loss of a driver's license because of a criminal record may make it extremely difficult for someone to get to work. Private policies may penalize them as well; unions and employers may create eligibility standards for training programs that effectively eliminate most low-income, low-skill people.

Unless the underlying drivers of labor markets are changed so that low-income people have better connections or relationships, more access to and control over resources, more power, better access to information, and supportive policies—there will not be—cannot be—any sustained, large-scale change in the outcomes for the low-income people in these systems.

3. To create, modify, or strengthen the drivers of labor markets, innovators must find "leverage points" or "strategy areas" in the system—opportunities to use their relatively modest resources to set changes into motion.

At least nine potential leverage points, or "strategy areas," appear to hold potential for generating powerful labor market changes. Innovating at any of these leverage points can affect one or more drivers of the system, which can unleash new behaviors by employers, providers, and job seekers. (Jobs Initiative sites had the option of identifying other leverage points they wanted to pursue.)

Some of these leverage points are predominantly in the ***private economy*** and are reached mainly through employers:

- Organizing employers for collective action helps firms develop collaborations concerning workforce development, which builds new *relationships* and *resources* into the labor market. Firms may increase investment in workforce development and organize better access to good jobs. Employers may participate in school-to-work programs, implement industry-wide skill standards, and collaborate on cross-firm training and day-care and transportation programs for workers

- Developing portable skill standards and credentials articulates job skills that employers want. This creates important new *information signals* for training providers, who tailor their services to employer needs, and for job seekers. Workforce development providers and employers agree to use common concepts to teach, assess, and credential skills and knowledge for specific jobs and to make this information public.

- Establishing linkages between employers and the education and workforce development systems connects the interests and actions of both educators and workforce development professionals with employers, which creates new *relationships* and *resources* in the labor market. Employers and both schools and workforce development providers share information and collaborate on programs that give students learning experiences in work settings.

- Creating a "market of innovations" in workforce development establishes capacity for developing, testing, and marketing new workforce development practices. These practice yield new *information signals*, *relationships*, and *resources* in the labor market. Employers and providers collaborate to develop better training, services, and other innovations for workforce development.

Other leverage points are mainly in the ***public economy*** and accessed through government systems:

- Gaining the commitment of public and private entities to upgrade the skills of the working poor provides targeted financial incentives, such as tax breaks, which create new *resources* in the labor market. Public incentives enable firms to invest more in training for low-level employees and to help workforce development providers improve their training services.

- Establishing formal linkages between the public human services system and workforce development outcomes holds government human services accountable

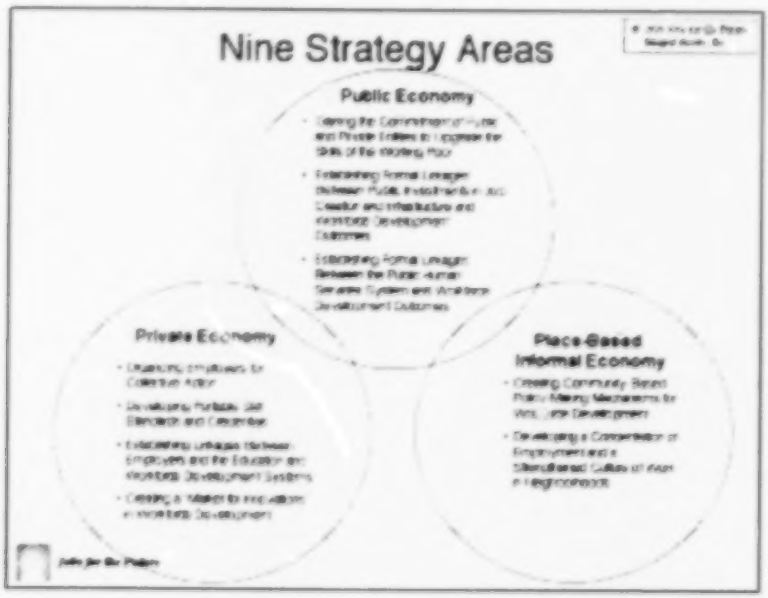
for job placement, retention, and other workforce development results. Linking childcare, health care, substance abuse treatment and other services to the placement and retention of low-income job seekers creates new *resources* for job seekers and employers.

- Establishing formal linkages between public investments in job creation and infrastructure and workforce development outcomes holds public economic development agencies and infrastructure projects accountable for workforce development results. Linking public resources for job creation by employers or for construction of public facilities to placement of low-income job seekers creates new *resources* for employers and job seekers.

Still other leverage points are mostly in the ***place-based, informal economy,*** and the pathway to them is through neighborhoods and families:

- Creating community-based policy-making mechanisms for workforce development empowers local workforce development stakeholders to engage in policymaking, which builds *relationships* among employers, providers, and community interests. Broadly representative structures influence local policy and resource investment decisions.

- Developing a concentration of employment and a strengthened culture of work in neighborhoods supports job seekers in targeted neighborhoods. Building informal supportive networks of working adults in specific places, linked to comprehensive training and human services creates new *information signals*, *relationships*, and *resources* for job seekers, families, and providers.



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4. To make change happen at any leverage point, innovators must identify and mobilize their "assets for change."

Many factors combine to give each labor market a distinct history and distinct characteristics. For instance, the types of industries in a labor market affect the skills workers are likely to have, as well as the cycles of economic expansion and contraction in the region.

In a similar way, each labor market has a history of change efforts, some of them aimed at helping low-income people. Thus, some drivers in the market may already have been shaped in ways that contribute to better outcomes for low-income people, while others may be untouched. So, each labor market has a specific *context for systems reform* that must be understood.

Whether innovators can actually impact the drivers in their labor market depends crucially on their ability to influence others, to cultivate assets—institutions, individuals, resources—that are committed to reform of the system. Among the vast array of potential institutional assets are community colleges, business associations, state and regional accrediting agencies, leading corporations, community-based organizations, training providers, unions, state and local economic development and human service agencies, teacher associations, private job placement businesses, local school boards, state unemployment insurance agencies, regional transportation organizations, local foundations, housing authorities, and community development corporations.

When innovators are clear about the nature and strength of the assets they can mobilize, and when they are clear about the nature of the barriers they face, they can plan their strategy for systems reform.

* * * * *

This framework for understanding labor market systems and strategies for change was woven into an "outcome-based planning model" adopted by the Casey Foundation for the Jobs Initiative, so sites would develop quite detailed plans about their system-change strategies, including milestones for progress, and the many projects to achieve the strategies. (For a description of this planning model and reflections on its effectiveness in the Jobs Initiative, see "Outcomes Management and the Casey Jobs Initiative" by William Phillips and Bob Giloth; www.aecf.org/jobsinitiative.)

Of course, a generic framework is no substitute for detailed knowledge about local conditions. It is more of a map to help you recognize what knowledge you need to get and how the pieces of knowledge may fit together into a bigger picture. Therefore, the Jobs Initiative sites went through several exercises to "try out the framework" with their local knowledge. In addition, they received critical feedback about their system-changing plans, which were informed by the framework, from a panel of experts convened by the foundation. Thus, the sites had quite a bit of "hands on" experience in using the framework to shape their own thinking and plans.

SYSTEMS-CHANGE STRATEGIES SELECTED IN JOBS INITIATIVE	
Site	**Strategies/Leverage Points Targeted**
Denver	• Create a "market of innovations" in workforce development • Gain the commitment of public and private entities to upgrade the skills of the working poor
Milwaukee	• Organize employers for collective action • Develop portable skill standards and credentials
New Orleans	• Organize employers for collective action • Create a "market of innovations" in workforce development
Philadelphia	• Organize employers for collective action • Create a "market of innovations" in workforce development
St. Louis	• Organize employers for collective action • Establish formal linkages between the public human services system and workforce development outcomes • Develop portable skill standards and credentials
Seattle	• Create community-based policy-making mechanisms for workforce development • Organize employers for collective action • Establish formal linkages between public investments in job creation and infrastructure and workforce development outcomes • Establish formal linkages between the public human services system and workforce development outcomes

Part IV.
Benefits of Using the Framework

The framework has had a mixed reception from Jobs Initiative site leaders. All say that it is useful and conceptually well done. "The way the framework walks you through a thinking process has been helpful," says Tom Rhodenbaugh, director of the St. Louis Regional Jobs Initiative. "It was a great way to think about the complexity of the task of changing systems," notes Carol Hedges, former director of the Denver Works Initiative. "It pulled apart the strands of public, private, and community systems and allowed us to think about each component."

Seeing the larger system is especially important for workforce development professionals, says Milwaukee's Laura Dresser. "They work with individuals and individual companies. The idea of scale is not even on their screens. This and other frameworks help get people who are really good at building a small thing to be thinking about what the big thing is and what the relationship is between their small thing and that big thing."

In general, the framework helped to guide understanding at a site about the labor market system, and it promoted strategic thinking about how to use site resources. Specifically, it was useful in four areas:

1. The framework helped sites to be more selective—more strategic—about how to intervene in the system.
2. The framework helped sites connect jobs projects or programs at the ground level with broader-scale interventions at the system level.
3. The framework helped sites recognize who in the system they had to influence to generate systemic change.
4. The framework helped sites see potential connections between the labor market and the social services system.

1. The framework helped sites be more selective—more strategic—about how to intervene in the system.

"The framework is useful for getting people to think about strengths and weaknesses and where they want to go," says Laura Dresser in Milwaukee. "For people who are not super-theoretical about urban job systems, it is useful to make them sit down and think about their work this way."

Considering the breadth and complexity of the labor market helped innovators in Seattle recognize that they did not have to take on every challenge at once. "Changing the system is hard work and will take a long time," says Mary Jean Ryan, director of Seattle's Office of Economic Development and an architect of the Seattle Jobs Initiative. "If you can solve some system problems, that's a contribution and you should go for it. That's a more incremental approach, but it's still pretty ambitious."

The director of the New Orleans Jobs Initiative, the late Darryl Burrows, said that using the framework helped people focus on several strategies for systems change. One, he said, is to get the community college to "change as an institution so that it can respond to employers needs." The other is to establish a permanent new capacity in the region to develop innovations in workforce development policies and programs.

"Innovation is dead here, it is mummified" explained Burrows. "The state of Louisiana policy is literally not to fund innovation; it only funds tried and true programs."

2. The framework helped sites connect jobs projects or programs at the ground level with broader-scale interventions at the system level.

"It took me a while," says Dianne Hanna, director of the Seattle Jobs Initiative, "but I realized the beauty of this framework was that it forced your thinking from a big picture all the way down to the to do's. It made you think through where you wanted to be involved and why."

Hanna says the framework helped her think differently about the local community college. "If the Seattle Jobs Initiative were only concerned with meeting its operational targets, we might have looked for other training providers who were more flexible and able to respond more quickly to changing training needs." But from a systems-reform perspective, Hanna explains, she saw the community college was an essential asset of the labor market. "If we were going to change the system, we would have to deepen, not abandon, our partnership with them, and they would have to come to 'own the work' with low-skilled adults."

The Seattle site came to a similar understanding of the systemic role of community based organizations that provide workforce development services to disadvantaged residents. "If you want to reach low-income people and serve a truly ethnically and culturally diverse population, the best way to do that in the long run is through the CBOs," says Hanna. However, the capacity of CBOs to perform is mixed at best, which creates the temptation to ignore them and work around them. "If we didn't have a systems view, we might hire our own staff to do this work." Instead, Seattle chose to work with CBOs and capitalize on their assets. This includes helping CBOs get paid better by government agencies, so they can afford to innovate.

3. The framework helped sites recognize who in the system they had to influence to generate systemic change.

"It helped us to realize where we had the relationships necessary to influence change and, as important, where the lack of those relationships could inhibit our success," says Denver's Carol Hedges. "When we were lacking [those relationships], we tended to steer clear."

As Margaret Bradley, director of the Philadelphia Jobs Initiative, put it: "The framework makes explicit the power dynamics that need to come into play in making systemic change. That stuff comes naturally to those with an organizing background, but everyone doesn't have that."

When New Orleans decided to work closely with a local community college, said Darryl Burrows, the framework "helped us think about who the people were who influenced that institution and how we could get leverage with them."

4. The framework helped sites see potential connections between the labor market system and the social services system.

In St. Louis, says Tom Rhodenbaugh, it became obvious that the rules of the Missouri welfare system were limiting the access of low-income job candidates to child care. "We run last in the country in providing these benefits, so I had to find nontraditional allies—from provider groups to certain businesses with lots of entry-level jobs, to welfare officials themselves—to show that increasing child care would help keep people in jobs and off of welfare."

In Seattle, "we found you have to bring in the human services people" to help job candidates get better access to their benefits, says Dianne Hanna, herself a former social services administrator. One target has been to increase the number of eligible people who access the state's programs for food stamps, subsidized childcare, and/or children's health care. "We are working in a broad coalition on increasing access to benefits," Hanna says.

Part V.
Difficulties of Using the Framework

Even as sites found that the framework produced benefits, they also encountered difficulties using it:

1. The framework was not always relevant to all of the local context that labor-market reformers faced.
2. Some sites found it burdensome or unnecessary to try to fit their own systems-change approach or their many jobs projects with the externally developed framework.
3. Sites had significant problems turning the conceptual basis of the framework into outcome-based implementation plans.
4. Sites found it extremely challenging to figure out exactly which outcomes or results for systems change to measure and how to measure them.
5. Sites found it difficult to use the framework to communicate with others in their communities.

1. The framework was not always relevant to all of the local context that labor-market reformers faced.

In New Orleans, according to Darryl Burrows, systems reformers face deeply entrenched, formidable political barriers to changing the local labor market. "Quite frankly, it's patronage—it's who you know. Now that's true in other places, but it's nothing like it is here. It's a very old system that is based totally on who you know, that has very little regard for quality and excellence." As a result, Burrows continued, systems reform is viewed as a threat. "Every little inch that we get is systems reform; there is no system for us to plug into." The trick "is to get something done—to get anything done."

Although the framework helped Burrows think about what he wanted to change, it did not address the raw political maneuvering needed to, say, get the city government to dedicate funds to the reform effort. "We have to push and cajole and shove." The framework, Burrows noted, "just can't take that kind of specific context into account."

A different concern was caused by the Casey Foundation's requirement that each site focus its initial round of jobs projects on helping low-income people in specific neighborhoods—"impact community" areas selected by the sites. The foundation had wanted to ensure that system-change efforts remained closely grounded in the needs of real people in a real place—and produced benefits for those people. "We thought that having an impact community would always force the awareness and connection to issues for those less prepared for the labor market," explains Casey's Bob Giloth.

As sites attempted to transition from projects to a more systemic reform agenda *for the region*, they ran into trouble staying connected to the impact area. Although the systems framework had included a number of place-based leverage points for system reform—the creation of community-based policy-making mechanisms and the development of a concentration of employment and a culture of work in neighborhoods—the sites had mostly decided to pursue other leverage points.

2. Some sites found it burdensome or unnecessary to try to fit their own systems-change approach or their many jobs projects with the systems framework.

Several other difficulties arose from the timing of the framework's introduction to the Jobs Initiative sites. It arrived when sites were expected to develop a long-term systems-change plan, having experimented with projects for several years. But several sites were already strongly committed to a framework for large-scale change. Milwaukee's Laura Dresser: "We knew what we wanted to do: it wasn't a secret. So we didn't use the [Casey] framework as well as we could have."

In St. Louis, says Tom Rhodenbaugh, the framework arrived *after* the site had been trying projects for several years. "To me, you don't build a framework and then fit what you've been doing into it. You build the framework off of what you've been doing. Because the framework wasn't here in the first place, I found myself trying to fit what we were already doing into it."

3. Sites had significant problems turning the conceptual basis of the framework into outcome-based implementation plans.

Sites also had significant problems turning the big-picture concepts of the framework into the more concrete implementation plans required of them by the Foundation. One challenge, most site directors say, was to translate the dynamic complexity of a systems approach into linear, step-by-step, outcome-based plans.

The dynamism—constant motion—of labor markets should not be underestimated. "You cannot say this enough," observes Seattle's Mary Jean Ryan. Someone planning an intervention in a system must realize that conditions may change rapidly: a lock-step, linear plan may be based on old conditions that are no longer relevant. "A planning model can be overly linear," cautions Ryan. "You figure out what you should do, then you build capacity to do it, then you take it to scale. That makes sense if you are living in a *static* environment. But what if by the time you have done all these steps, you have such different labor market conditions that you maybe should not go to scale, even if you could?"

Margaret Bradley in Philadelphia expresses similar concerns and offers an example of the unpredictability of system dynamics in the labor market. Recently the city's Workforce Investment Board sent a report to the mayor that was forthright about the board's own challenges around engaging employers and the impact of this on implementing strategic and systemic workforce initiatives. "Clearly, the mayor's leadership is key to the engagement of employers, especially where we are talking about private-public partnerships to maximize funds under his control," Bradley notes. "Yet his response will depend on a complex array of factors, many of which may be completely unrelated—at least on the surface—to the issue at hand."

4. Sites found it extremely challenging to figure out exactly which outcomes or results for systems change to measure and how to measure them.

When sites were undertaking jobs projects, they had to measure job placement and retention by counting (in a sophisticated MIS system) the numbers of disadvantaged young adults placed in jobs meeting certain quality standards, and they had to track retention in the labor market for at least one year. Systems change posed several measurement problems. Most important, the sites found it difficult to make clear cause-and-effect connections between early-stage changes in the system and measurable results such as job placements.

Dianne Hanna said that as Seattle developed plans to implement system reform efforts, the plans often felt constricted by the awkwardness of applying the broad framework to specific operational outcomes.

Tom Rhodenbaugh in St. Louis expressed a similar concern. "I can easily track clear outcomes from job training," says. "But if my systems-change approach is to get the community college to understand that there is a market for services to low-income people, how is that supposed to be measured? The outcomes of system reform are much softer."

In addition, the foundation noted two concerns. First, the foundation lacked a mechanism for assessing sustainability: how could it judge whether a site's reforms would continue beyond the end of Casey funding in 2004? Second, it worried about those sites where there would be a lag between implementation of a systemic reform and seeing the impact of that reform on outcomes for specific individuals. What indicators could the foundation use to track progress (or lack thereof) toward the system reform goal?

To address these concerns, the framework developers included the concept of "system reform milestones," indicators that showed progress toward the systems change toward which the site intermediary was aiming. To distinguish between a site's ultimate goal (system reform milestone) and the steps toward that goal, the developers introduced and defined the concept of "scale-up milestones:"

> *A projected change in driver "behavior" that reflects significant, verifiable progress toward achieving a system reform milestone in a sustainable manner, resulting from a systems reform project. Examples include, but are not limited to, financial resources, direct customers, and participation of disadvantaged young adults in specified program components. The number and type of appropriate SUMs will vary from project to project.*

5. Sites found it difficult to use the framework to communicate with others in their communities.

"The framework has been useful for talking with the Casey Foundation," said New Orleans' Darryl Burrows, "but it was not very useful with others." Margaret Bradley concurs: "It's not language we can use with local people." "I get a lot of glazed eyes out there," adds Tom Rhodenbaugh.

Part of the difficulty faced by those unfamiliar with workforce development, says Laura Dresser, was that the framework contains a large amount of information: "You

have to carry a lot of large pieces around in your head, and that rests on having lots of knowledge."

Another part of the problem was that the framework represents a way of thinking: it uses a broad "systems map" to understand a complex phenomenon and plan action. Many people find this way of thinking to be difficult and are not very experienced at it. "Some people just don't think like this," explains Dresser.

Part VI.
Reflecting on the Framework Experience

The noted folk sage Yogi Berra is reputed to have said, "If you don't know where you're going, then any road will take you someplace else." This neatly makes the argument for using a framework to think about something as complicated as the ways to change labor market systems. There is no doubt that the specific framework that Jobs for the Future and Integral Assets developed has flaws—all frameworks are doomed to inaccuracy, incompleteness, incorrectness. And certainly the sites had some difficulties using the framework in the context of the planning processes to which they were committed and the local realities with which they had to wrestle. But the fact is that all the sites found the framework useful as a tool for helping decide which roads to pursue.

This is not surprising. As labor markets have become regionalized, larger, and more complex, the task of improving the outcomes they produce for low-income people has itself become more complex and more oriented to changing the system, not just developing a training program. Innovators—and those who invest in their efforts—must have a mental picture of the system to change and what makes it tick. In short, they need a framework. They can arrive at such a picture by making it up themselves, by adapting the one that was produced for the Jobs Initiative, or by borrowing from elsewhere. But it seems fair to argue, they must frame the system if they are to have a chance to succeed at systems change. Otherwise, they will certainly wind up someplace else.